

Exhibit B

Advice to Jeffrey D. Hurant

Re: Rentboy.com

April 23, 1997

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Considerations

Firstly it is particularly important to remember is that is an incredibly "gray" area and nothing is set in stone. Laws or standards are not enforced in a uniform way and no-one is exactly sure yet of how they apply to the Internet.

There are two main areas of legal concern that could affect the way you implement your venture. These are:

1. Prostitution and the laws and practices relating thereto; and
2. Pornography and/or indecency.

Law:

1. Prostitution is illegal in all of the United States except Nevada.
 2. In New York the "ill-gotten gains" or the proceeds from such enterprises are equally illegal. (This is called "knowingly advancing or profiting" from Prostitution - N.Y. Penal Code S 230.15)
 3. Federal Laws prevent the interstate traffic in " unlawful activity" which would include prostitution or the promotion/solicitation thereof in violation of State laws. - 18 USC 1952
 4. **S.223(a)(1)(B)** of the **Communications Decency Act of 1996** (the "CDA") provides in part that any person in interstate or foreign communications who " by means of a telecommunications device,"[5] "knowingly...makes, creates, or solicits" and "initiates the transmission" of " any request, suggestion, proposal, image or other communication which is obscene or indecent, knowing that the recipient is under 18 years of age," "shall be criminally fined or imprisoned."
- S.223(d)(1)** of the CDA (the patently offensive provision) makes it a crime to use an interactive computer service [6] to display the above material to persons under 18, if such material would be patently offensive as measured by contemporary community standards.
5. New York has enacted similar laws -**S.235.21(3) N.Y. Penal Law** and **S.210-E New York State Law** which makes it a crime to disseminate "indecent" materials that are "harmful to minors" through any computer communications network. (Both of these are currently under challenge)

How is this law applied ?

There are clearly laws against prostitution and its promotion as well as "indecenty". However, we all know that thinly disguised Ads abound in print, TV and on the Web for such services. The conclusion is that these are enforced according to "community standards".

For example ***The Village Voice***, in its classifieds section has a listing for escort/massage services. As long as there are no last names, no obscene or indecent language and no prices given, they seem to be able to skirt the prostitution laws and everyone looks the other way. No doubt it is because the speech in the ads is cleverly drawn so as to be protected and not offend community decency standards. Plus its hard to prove that the ***Voice*** knows exactly what their advertisers are selling.

It is interesting to note that the Village Voice personals are much more anonymous. This is because there are very strict FCC guidelines for the use of 1-900 (Dial-a-Porn) numbers.

The problem (which is also the joy) of the web is that because of its span and breadth of penetration it goes way beyond local laws. How is one to know if one is breaking the law by downloading the material in say " Beaver Falls" ? Ann Beeson, an ACLU national staff attorney who monitors state cyberspace laws says " if fifty states pass fifty contradictory laws, Internet users will be virtually paralyzed for fear of violating one or more of those laws."

The more difficult and vague issue is that of "indecent" material. Because of the relative newness of the web, there are very few caselaw guidelines to assist the budding maverick.

The most current discussion of all of this is found in the recent decision by the Court of Appeals in a challenge to the CDA (mentioned above) brought by the ACLU.

American Civil Liberties Union et al -v- Janet Reno.

In this case the court in a 3-0 decision said that the Web is a "new medium" ; that it could not be regulated by the current FCC statutes and that the CDA as it stands is overbroad, unconstitutionally vague and unenforceable.

The court goes through the whole history of the Internet and makes some very interesting findings of fact. The judges tended to be well disposed towards the web, viewing it as a type of cyber-superlibrary. They found that the web had much more in common with the print media than with radio, television or the telephone.

The court was aware that sexually explicit material currently exists on the web and that there does exist a compelling reason for the web to be regulated in matters of obscenity and child pornography. However, the judges there felt that the existing laws regarding those two matters adequately covered the web medium. They were not prepared to say that the web needed to have new laws enacted like the CDA, to protect children from pornography. They indicated that while the government has a compelling interest in protecting children, it cannot do so at the expense of first amendment rights of free speech. Thus, while some speech engaged in by adults may be unseemly, indecent or vulgar, they do have the right to engage in it.

The court accepted the ruling in Sable -v- FCC that any regulation of indecent material must use the "least intrusive means" for achieving the government's goal. The restrictions on indecency cannot have the effect that they "reduce the adult population to only what is fit for children."

The thrust of the decision was that currently on the web there are a number of ways to avoid having children stumble across an adult site; software blocks, warnings and access/security codes, and that the government was not using the least restrictive means.

This is not to say that the Court would endorse or allow indecent speech everywhere. They were very careful to point out that material routinely acceptable in New York may be far less acceptable in smaller communities across America. The material might not be pornographic, but it still may offend community standards.

Of course any material including child pornography and the soliciting of minors will draw censorious attention.

This decision has been appealed by the government and is currently before the Supreme Court. It is expected that the Supreme Court will ratify the Appellate decision and that the NY cases will follow suit.

Conclusion

You cannot advertise your service blatantly as prostitution, but it is likely that there will not be a problem if you stick to the vagueness of an escort/massage service.

However you may get stuck with indecency standards in other communities. The only way around this is to keep access to the site somewhat restricted, so that only people who can handle the content, see it.

If I were you.....and I still wanted to proceed.

I would do the following:

1. Obtain signed disclaimers from all persons wishing to advertise on the site, re: age, copyright and content. (see *Appendix 1.*)
2. Ensure that all material from advertisers is screened for last names, language and prices. None of this should appear on the site. Nor should you keep the information in your database.
3. On the title page of the site post a warning about the nature of the site and by whom it is intended to be viewed. (*Adults Only-see Appendix 2*)
4. If the material on the site is to be kept "clean" - that is, no graphic depiction or text, post the short user agreement for subscribers to click on before entering the site. (see *Appendix 3*)
5. If more graphic material is to be used, then use the agreement form (*Appendix 3*) and insert an access code or security password system .

Disclaimer

This is an informed opinion only and cannot be taken as a solution to "not being able to be sued"

The law is unclear and can therefore be applied capriciously and arbitrarily. My suggestions are not a watertight solution. However if you use these warnings in my opinion, you will have taken reasonable, good faith measures to make sure people get to advertise to the right audiences, while keeping the material from people who will be offended by it and from minors.

Hasta Luego !....

Appendix 1

ADVERTISING AGREEMENT

1. By clicking below, I represent that I have read and agree to all of the terms of this agreement.
2. I certify that I am over the age of 18 years old.
3. I request that RB post/ display my advertisement on the RB Web site and that in consideration for RB so displaying my advertisement, I agree that I will be billed by RB at the rate of \$ per , such charges to be automatically charged to my credit card, the details of which I have provided to RB and which credit card I certify that I am authorized to use.
4. I authorize RB to change or edit any of the material provided by me as RB sees fit. I agree that RB has the right to reject any advertisements or materials provided by me for any reason whatsoever .
5. I agree that all materials provided to RB shall become the property of RB to use as it sees fit. I also irrevocably grant RB permission to treat such materials as if they were in the public domain if RB sees fit and I agree to indemnify and hold RB free and harmless from any and all claims arising out of or in any manner related to any materials provided by me to RB.
6. I agree that RB assumes no liability whatsoever for any replies or any actions arising out of any replies to any advertisement posted on the RB site.
7. I agree that RB shall not be liable for any failure of performance, error, omission, delay in operation or transmission, communications line failure, theft or destruction or unauthorized access to or use of records, whether for breach of contract, tortious behavior, negligence or any other cause of action.
8. This agreement serves as the entire agreement between the parties and may be amended upon notice by RB. RB may provide notice to the advertiser by E- mail, conventional mail or by a general posting (indicated by the word "Notice") on its web page.

Unless otherwise agreed between the parties, this agreement shall be governed by the laws of New York City.

Appendix 2

WARNING

This warning should be posted on the entry page of the site :

Warning !

This site is designed for the use of ADULTS only. It may contain content of a graphic sexual nature. If you find this type of material personally offensive or if it is considered a violation of the Decency standards in your community we ask that you leave the site immediately. In order to enter the site you must agree that :

- a) *You are over 18 years of age.*
- b) *You will not redistribute this material (for profit or otherwise) to anyone including minors.*
- c) *You are entering the site purely for personal entertainment purposes.*

I AGREE (ENTER)

I DO NOT AGREE (LEAVE)

Appendix 3**USER (MEMBERSHIP) AGREEMENT**

1. By clicking below, I represent that I have read and agree to all of the terms of this agreement.
2. I certify that I am over the age of 18 years old.
3. I am familiar with and understand the standards and laws of the community in which I reside, regarding sexually oriented material. Based on my understanding of those standards and laws, I represent that by requesting and receiving any of the material from the on-line RB site I will not be violating any of those standards and/or laws.
4. I understand and agree that no warranties are made by RB as to any of the information, services and/or products offered on its site and RB expressly disclaims any and all warranties as to the availability and/or accuracy of content, products or services or any warranties of merchantability or fitness for purpose related thereto.
5. I understand and agree that I use the materials, information and/or services on the RB site totally at my own risk and hold RB and its officers harmless from any and all liabilities and/or actions for damages that may arise as a consequence of my use thereof.
6. Except for public domain and electronic messages, all material displayed on the site is copyrighted to RB and may not be copied, redistributed or used without the prior written consent of RB.
7. "RB" is a registered trademark of (...).

This agreement serves as the entire agreement between the parties and may be amended upon notice by RB. RB may provide notice to users by E-mail, conventional mail or by a general posting (indicated by the word "Notice") on its web page. Unless otherwise agreed between the parties, this agreement shall be governed by the laws of New York City.

YES - I have read the foregoing terms and conditions and agree to be bound thereby.

NO - I do not wish to be bound by this agreement, or I am under 18 years of age.